

## Message Text

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64

ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 COME-00 TRSE-00 CIAE-00 DODE-00

INR-07 NSAE-00 PA-02 USIA-15 PRS-01 SP-02 /045 W

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R 162359Z JUN 75

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 8296

INFO TREASURY WASHDC

UNCLAS MEXICO 5258

E.O. 11652: N/A

TAGS: EFIN MX

SUBJ: 15 PERCENT RESTAURANT TAX MODIFIED.

REF: MEX 5016, JUNE 9, 1975.

1. AS INDICATED BY LOPEZ-PORTILLO (SEE REFTTEL), GOM HAS MODIFIED CONTROVERSIAL 15 PERCENT LEVEL ON RESTAURANTS, NIGHT CLUBS, ETC., SERVING FOREIGN WINES AND SPIRITS. BEGINNING JULY 1, FOREIGN TOURISTS WILL BE EXEMPTED FROM THIS LEVEY THOUGH MEXICANS WILL CONTINUE TO PAY IT.

2. PRIVATE SECTOR REPORTEDLY AGREED TO MAINTAIN ITS PRICES THOUGH THEY WILL HAVE TO PAY 4 PERCENT GROSS RECEIPTS TAX IN PLACE OF 15 PERCENT SPECIAL LEVY ON FOREIGNERS' MEALS. THEY ALSO AGREED TO UNDERTAKE MAJOR TOURISM PROMOTION CAMPAIGN.

3. RESTAURANT LEVY HAS BEEN HEAVILY CRITICIZED SINCE ITS INTRODUCTION LATE IN 1974. RESTAURANTEURS AND GOM TOURISM OFFICIALS BLAMED SLOWDOWN IN FOREIGN TOURISM ON TAX THOUGH TREASURY MAINTAINED US. RECESSION MORE IMPORTANT FACTOR. GROUNDS ON WHICH DECISION MADE NOT YET KNOWN TO US, BUT REFLECT IN PART AT LEAST CONCERN OVER SLOWER GROWTH RATE OF FOREIGN EXCHANGE RECEIPTS FROM TOURISM. WHILE BORDER EXPENDITURES BY TOURISTS GREW, RECEIPTS FROM TOURISM TO INTERIOR OF MEXICO DECLINED FROM \$237.8 MILLION IN FIRST QUARTER 1974 TO \$227.9 MILLION IN FIRST QUARTER 1975. LOCAL PATRONAGE

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OF RESTAURANTS SUBJECT TO TAX HAS ALSO SUFFERED, THOUGH

BY HOW MUCH IS NOT CLEAR. BOTH RESTAURANT OWNERS AND  
MEXICANS APPEAR UNHAPPY AT EXEMPTION BEING LIMITED TO  
FOREIGN TOURISTS.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC PROGRAMS, RESTAURANTS, TAX RELIEF, LEVIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975MEXICO05258  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750210-0052  
**From:** MEXICO  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 65  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Reference:** 75 MEX 5016, 75 JUNE 9, 75 1975  
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**Review Date:** 27 FEB 2003  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** 15 PERCENT RESTAURANT TAX MODIFIED.  
**TAGS:** EFIN, MX, (LOPEZ PORTILLO, JOSE)  
**To:** STATE  
**Type:** TE  
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